

23 February 2026

Committee Secretary
Rural and Regional Affairs and Transport References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Secretary

Please find enclosed a submission from the Limestone Coast Local Government Association (LCLGA) to the Senate Inquiry into the State of Australia's Aviation Sector and its Ability to Deliver Reliable and Affordable Services to Rural, Regional and Remote Communities.

We thank the Committee for the opportunity to contribute to this inquiry and would welcome an invitation to give further evidence through participation in a public hearing should the opportunity arise.

For any questions about this submission please contact the LCLGA's Executive Officer Charlotte Edmunds on 0486 380 347 eo@lclga.sa.gov.au

Yours sincerely,



Mayor Lynette Martin OAM
President
Limestone Coast Local Government Association



ABOUT THE LIMESTONE COAST LOCAL GOVERNMENT ASSOCIATION

Local Government in Limestone Coast has been working together for over 140 years. Since the first association of councils was formed in October 1885, Local Government across the region has helped build community and economic prosperity through cooperation.

The Limestone Coast Local Government Association is a regional subsidiary established pursuant to Section 43 of the Local Government Act 1999 by the:

- City of Mount Gambier;
- District Council of Grant;
- Kingston District Council;
- Naracoorte Lucindale Council;
- District Council of Robe;
- Tatiara District Council.

As the peak body representing Local Government in the Limestone Coast, the Limestone Coast Local Government Association (LCLGA) takes a lead to advocate on behalf of the region across a wide range of issues with the goal of continuing the 140-year history of collectively building strong, sustainable communities.

Our Vision for the Limestone Coast;

- Regional growth that is considered and sustainable.
- Communities that are supported with the services and infrastructure needed to thrive now and generations into the future.
- To maintain our competitive advantage and global reputation for the clean, green environment and the food and fibre that is produced from our resources
- A diverse economy that is resilient and balanced
- A highly attractive region in which to live, work, visit and invest.

Ensuring that regional infrastructure and services are fit for purpose and have the capacity to meet the region's current and future needs to enable productivity for industry and highly desirable liveability is a key priority of Limestone Coast Councils.

ABOUT OUR REGION

The Limestone Coast describes a rich and diverse geographical region that covers over 21,000 square kilometres, currently home to almost 70,000 people and with a Gross Regional Product of \$5.1 billion. The Limestone Coast economy punches well above its weight; the region covers two per cent of the state's landmass, is home to 3.6 per cent of South Australia's population while contributing over 30 per cent of the state's agricultural produce.

Fertile soils, water resources, a mediterranean climate and the cold, clean waters of the southern ocean have enabled globally significant food, wine and fibre production in the region.



The Limestone Coast economy has been built from the agriculture, forestry and fishing sectors which continue to provide the region's largest economic output and employment.

CONNECTING THE LIMESTONE COAST

Strong, prosperous communities are safe and connected communities.

Connecting regional service hubs including Mount Gambier to capital cities is essential for considered and sustainable growth.

Due to population size and distance from Adelaide and Melbourne, aviation is not a discretionary service for the Limestone Coast; it is essential economic and social infrastructure underpinning access to health care, employment, education, emergency response, tourism and business investment.

Around 80,000 passengers flying in or out of the Mount Gambier Regional Airport each year which is owned and operated by the District Council of Grant, a small regional Council with just 5,766 rateable properties. District Council of Grant is commended for ensuring the Mount Gambier Regional Airport continues to service two commercial passenger airlines.

Commercial passenger services remain the primary source of income to ensure the airport's financial sustainability. However, the added cost burden that will accompany any federally mandated security screening threatens the long-term viability of the Mount Gambier Regional Airport.

The Limestone Coast Local Government Association supports the intent of national security screening. 41 percent of domestic passengers travel through regional airports in Australia, airports that are each part of a highly connected aviation network requiring security risks to be managed appropriately for the safety of all passengers.

However, the financial burden of the infrastructure and ongoing operational costs of federally mandated security screening cannot be absorbed by a Council with a narrow rate base, leaving no alternative than to pass on the cost direct to passengers via ticket sales.

For the Mount Gambier Regional Airport, the per-person screening cost is estimated by the District Council of Grant to be an additional \$90 per departure. With ticket prices already well over double that of routes between capital cities, an additional \$90 would render ticket prices unaffordable, leading to declining passengers and putting the viability of current services in doubt.

In contrast, if these costs were averaged nationally across all domestic trips, modelling suggests an increase of approximately \$1 per ticket.

The current funding model is inequitable and does not accurately reflect the shared burden of national security. Instead, it adds to the disparity between regional communities and their urban counterparts.



CONCLUSION

Regional air services play an important role in our in regional communities and our nation's economic prosperity, yet regional aviation carries a disproportionate burden of fees and charges levied per ticket, ultimately threatening the sustainability of services and reducing access to vital services for regional communities and economic development.

The Aviation White Paper briefly acknowledged these cost pressures but failed to detail any substantial structural reform.

The Limestone Coast Local Government Association urges the Federal Government to reform the current passenger levy system to support regional aviation.

The LCLGA supports;

- **a national approach to cost recovery for security screening including a uniform national levy to cover security arrangements**
- **increased transparency to ensure levied funds are used to reduce the current disadvantage faced by regional air passengers**
- **creation of an ongoing regional airport funding framework to support capital and operational costs that acknowledges the market failure and burden on local government**
- **ongoing support for aviation workforce capability that considers additional challenges in the regions**

